

## Meeting With SOHIO

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New Source Permits Section

### File

On October 26, Lloyd Reed and I met with Ken Blauer and Del Dias of SOHIO. SOHIO is having problems dealing with the PSD program. SOHIO is allowed to expend significant money on a project only after they have all permits in hand. Before we can issue a PSD permit, we must have detailed engineering specifications and parameters for the proposal. We met to discuss this "catch-22".

Because the extent of the Prudhoe Bay oilfield is not yet known, SOHIO and ARCO do not know what the extent of final development will be. The remoteness of the field and adverse weather conditions require that the developers of the field order equipment long before it arrives on site. Add to this a long permit review process and several years is required to identify and install a relatively small piece of process equipment. SOHIO requested that we process applications on the basis of total turbine horsepower at the various turbine locations. We indicated that such a plan was not acceptable to us. We suggested that they should be able to identify approximately how much horsepower they might meet at each location. If they used conservative emission parameters in the modeling for these various horsepower additions we would not have problems issuing them a permit. Once the exact turbine design was known the permit could be revised and the turbine impact updated through additional ambient analysis. SOHIO expressed concern that by this revision process, the permit could be reopened and approval ultimately withdrawn. We countered by stating that if the permit were issued on the basis of conservative estimates, then any revision would be downward and no logical argument could be made for permit withdrawal. SOHIO is uncomfortable with the permit revision concept. We indicated that until the proposed PSD regulation revisions become final, we will not know what the permit revision requirements will be. We indicated that another approach might be to issue a permit with the statement that once the final emission parameters are identified, the impacts resulting from turbine installation could be assessed and if less than those impacts indicated in the initial permit, further public comment would be unnecessary. SOHIO intends to mull over this problem and expects to get back to us in the next few weeks. They also intend to comment on the proposed PSD regulation revisions.

